

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 556** HLS 24RS 948

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 30, 2024	6:01 PM	Author: GLORIOSO
Dept./Agy.: Louisiana Workforce Commission		Analyst: Noah O'Dell
Subject: COLA for Wages of Totally Disabled Workers		

WORKERS COMPENSATION

OR SEE FISC NOTE EX

Page 1 of 1

Provides relative to an injury producing the permanent total disability of an employee

Current law entitles injured workers to compensation of 66.67% of wages during the period of qualifying permanent total disability, provided the compensation is between the state minimum and maximum weekly compensation, 20-75% of the state average weekly wage (SAWW).

Proposed law entitles injured workers with compensable injuries on or after August 1, 2024 that result in temporary total or permanent total disability to a cost of living adjustment (COLA) in their weekly compensation rate on the third anniversary of their injury and each year thereafter. The formula for the COLA is in the bill but is illogical as drafted. Proposed law defines "Consumer Price Index" (CPI), "cost of living adjustment", and "inflation." Proposed law requires insurance carriers or self-insured employers to report each compensable injury to the LA Workforce Commission (LWC) if permanent disability benefits are expected to continue for six months after the date of the injury. Effective August 1, 2024.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	UNKNOWN	UNKNOWN	\$0
Agy. Self-Gen.	\$0	\$0	\$0	UNKNOWN	UNKNOWN	\$0
Ded./Other	\$0	\$0	\$0	UNKNOWN	UNKNOWN	\$0
Federal Funds	\$0	\$0	\$0	UNKNOWN	UNKNOWN	\$0
Local Funds	\$0	\$0	\$0	UNKNOWN	UNKNOWN	\$0
Annual Total	\$0	\$0	\$0			\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The expenditure impact of the proposed law cannot be discerned based on the existing language in the bill related to the COLA formula. With a clear formula, it is presumed that a COLA would lead to anticipated increases in expenditures, but the bill in its current form cannot achieve that result.

The other components of the bill have no anticipated direct material effect on governmental expenditures.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Deborah Vivien
Chief Economist